

Compulsive Gambling and Crime

or

“How much does the State of (...) spend to prosecute and incarcerate compulsive gamblers?”

In virtually all of the discussions on gambling and crime, the primary focus is on violent crime, such that during proliferation debates, the solution offered is often a promise to install more street lights and hire more police officers. While that may be useful in lowering the violent crime rate, it is clear that those solutions do nothing to address the criminal activity of the typical compulsive gambler. The primary criminal activity of the compulsive gambler is typically a paper crimes such as forgery, fraud, theft, embezzlement, etc.; none of which appear on any police blotter as gambling related.

This fact raises the currently unanswered question of “How much does the State of (Illinois) spend to prosecute and incarcerate compulsive gamblers?” Given that most surveys of compulsive gamblers reveal that 50% end up stealing money in order to support their addiction, it follows that the same taxpayer (at the state and local level) who is benefiting from lottery and other gambling revenue must subtract the costs of prosecution and incarceration in order to arrive at a net ‘benefit.’ Any cost benefit analysis which ignores this critical variable would, therefore, be invalid. The absence of this data leaves the state in a ‘Fiscal Fog’. I have personally testified as an expert witness in cases costing the taxpayers of Illinois hundreds of thousands of dollars, but those numbers will not appear on any balance sheet as gambling related.

Recommendation: To effectively address this issue, it is critical to know how much of this criminal activity is gambling related. Until we have accurately named the problem, there can be no effective solution. In Illinois, a bill was introduced which targeted this specific issue, but it did not make it out of committee.

Suicide

The most difficult social cost of gambling are the suicides committed by desperate gamblers who believe there is no other way out. Numerous studies consistently reveal that pathological gamblers have the highest suicide rate of any of the addictions. While preparing for this presentation, I learned of another Illinois suicide by a compulsive gambler - a woman who had gambled away a reported \$800,000 in the last several years and killed herself on Good Friday. It is well known that most suicides are not reported, and if they are reported, gambling is seldom identified as the cause.

Recommendation : A study of the link between gambling and suicide should be immediately initiated for the purpose of reducing the suicide risk among this population.

Gambling and the Extension of Credit

From my observation and experience, gambling and the extension of credit is a volatile issue. It is interesting to note the often stated intent is for citizens to gamble with their “discretionary entertainment dollars.” The utilization of credit cards to obtain money with which to gamble is, by definition, gambling with borrowed money and is a contradiction of the ‘discretionary entertainment dollar’ precept. It is common for the typical compulsive gambler to owe literally thousands of dollars in legal credit card debt due to gambling. The accumulation of large credit card debt is a predictable consequence of the progression of the addiction. One has to question the State of Illinois’s role in this, given their invitation to it’s citizens to gamble with borrowed money by sending out mailers urging them to charge their lottery tickets on their credit card.

Within the last 60 days, the Illinois Gaming Board levied approximately \$100,000 in fines against an Illinois casino for the improper extension of credit.

Recommendations: To study the practice of extending credit for gambling for the purpose of establishing policies that reduce the risk of citizens gambling beyond their means.

Industry Response

The gaming industry has several beneficial initiatives which begin to address the issue of problem gambling - Project 21 and Operation Bet Smart, developed by Harrah's Corporation and adopted by many other gaming companies. It is important to note that these are prevention programs which do not address compulsive gambling. It is no more effective to tell the compulsive gambler "Bet With Your Head, Not Over It" than it is to tell the alcoholic "Know When To Say When."

This is a difficult issue for the casinos to effectively address due to the very nature of their business. How does a casino operator tell a customer "stop giving me your money!?" Further, if there is an attempt to 'cut off' the gambler, the casino is now standing in the way of the gambler's fantasy of placing the next bet and winning, thus solving their resulting financial problems. I have not heard of a casino inviting a gambler to leave because they are losing 'too much' money. If a bar owner's customer has too much to drink, the bar owner has a shared liability under Dramshop laws. Is there or should there be a shared liability on the part of the casinos?

For the past several years, the Illinois Casino Gaming Association has provided funding to the Illinois Council on Problem and Compulsive Gambling in order to conduct public awareness and education programs as well as ongoing training programs for mental health professionals. Additionally, they provide funding to a private entity to operate the National Council on Problem Gambling HELPLINE (800-522-4700).

Recommendations: The industry continue to work with governmental agencies, the National Council on Problem Gambling and its state affiliates, and any other entities addressing the issues of problem and compulsive gambling to expand and enhance the programs currently in place.

Domestic Violence

In my private practice, I am encountering an increase in the rate of domestic violence that occurs because of gambling problems. We have long known that alcohol and drugs are often involved in cases of domestic violence, so it comes as no surprise that with proliferation comes an increase in gambling related domestic violence.

Impact on Family Members

The families are truly the innocent victims of the addiction of pathological gambling. In many states, spouses are legally liable for the gambling debts incurred by the gambler, often resulting in a long period, if not lifetime, of financial suffering and deprivation. There is not time or space in this context to address the crises families face due to divorce, suicide, depression, medical illness, etc.

Recommendation: Family member's problems must be included in any public awareness and treatment programs.

The State as an Addict in Denial

It seems that most states operate with the mindset of a gambling addict in denial - that is, primarily focusing on the win side of the equation and ignoring or minimizing the loss. In other words, they don't print the pictures of the lottery losers in the newspaper.

The bulk of the lottery's revenue comes from the quick pick's, scratch offs, or the "immediate gratification" games - a primary component of any addiction. Additionally, the progression of the addiction in society can also be measured by a study of the media reporting of lottery jackpots. Not too many years ago, we would see television reports of customers standing in line to buy tickets for a \$10 million jackpot. Does anyone stand in line for \$10 million anymore? Today we don't see reports unless the jackpot is over \$50 million - the increased tolerance of the addict and the need for more and more to satisfy the craving.

Talk the Talk, or Walk the Walk? - Enforcement

The State of Illinois' 1991 Annual Report and Wagering Study (Illinois Gaming Board) is a document in which the state convicts itself by talking a good talk, and doing nothing. Where are the treatment dollars recommended in that document? Where is the state funding for the Illinois

Compulsive Gambling Program (Public Act 89-374)? Last year, the State of Illinois increased the taxes on the riverboats by approximately \$80 million dollars. In the original proposals by the Governor, \$2 million was to be allocated for the program. The money disappeared from the final draft of the legislation.....

Funding of Programs / Prevention / Treatment

The state of Illinois does not spend one dime to address the issue of problem and compulsive gambling. Illinois is, in effect, operating a business without liability insurance. Iowa, Missouri, and Indiana all have allocated money for the treatment of compulsive gambling.

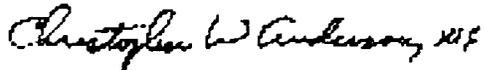
Many health insurance companies do not provide coverage for treatment of pathological gambling.

Recommendation: Adequate funds should be allocated as a percentage of gambling revenue to cover the liability of problem gambling, including public awareness and education, prevention, professional training, and treatment programs, as well as a 24 hour HELPLINE for gamblers and their families.

Gamblers Anonymous

The number of Gamblers Anonymous meetings have increased dramatically in the Midwest since the legalization of riverboat gambling.

Respectfully Submitted,



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